

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR.

Governor

GARY R. HERBERT Lieutenant Governor

October 11, 2006

Larry Neff Neffco Mining, Manufacturing, and Engineering 3477 Big Cottonwood Canyon Road Salt Lake City, Utah 84121

Subject: Complete Notice of Intention to Commence Small Mining Operations and Requirement to Post Reclamation Surety, Neffco Mining and Manufacturing, Yerian Mine, M0470087, Task 1547, Uintah County, Utah

Dear Mr. Neff:

The Division of Oil, Gas and Mining has reviewed the referenced Notice of Intention to Commence Small Mining Operations (NOI) received September 6, 2006, and supplemented with information received September 27, 2006. The Division finds the NOI complete with the following condition:

The excavated, active mining area may not exceed one acre at any time. Before continuing mining beyond each one-acre area, you must (1) submit photos documenting the reclamation grading work that has been done; (2) receive the Division's approval to continue into the next area; and (3) submit a map or drawing showing the progression of mining operations.

Before beginning mining operations, you must submit a reclamation surety and a reclamation contract. The surety amount that has been determined for this site is \$10,000.00. This is based on the following:

- The supplemental information says you will only disturb one acre at a time with continuous reclamation as you proceed. The Division assumes this means one acre at a time will be disturbed by mining itself with additional disturbances from the pump, water line, and processing equipment. The bond figure is based on two acres of active disturbance (\$8700.00).
- Regraded areas will need to be revegetated, so an additional amount (\$1300.00) is for revegetation of graded areas.

You will also need to submit a completed reclamation contract.

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The surety can be submitted in the form of cash (certified funds), a certificate of deposit, a letter of credit, or a corporate surety. Please contact Beth Ericksen, bonding coordinator, for information about submitting the surety and the reclamation contract.

If you have additional questions, please contact Paul Baker at 801-538-5261. Thank you for your cooperation as you complete the permitting process.

Sincerely,

Susan M. White

Mining Program Coordinator Minerals Regulatory Program

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